

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 5544
ANSWERED ON 06.04.2022

AMENDMENT TO MINERAL AUCTION RULES

5544. SHRI MANICKAM TAGORE B.:

Will the Minister of Mines be pleased to state:

(a) whether the amendment to mineral auction rules is likely to encourage competition that will ensure more participation in the sale of blocks;

(b) if so, whether it is also true that the amendments will also facilitate State Governments in identifying more blocks for auction of composite license;

(c) if so, the details thereof;

(d) whether it is a fact that the amendments were aimed at making availability of minerals across the country; and

(e) if so, the details thereof?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a) to (e): Yes, Sir. Ministry of Mines has amended the Mineral (Auction) Rules, 2015 vide notifications dated 17.03.2021, 18.06.2021, 02.11.2021, 14.12.2021 and 18.02.2022 and the Minerals (Evidence of Mineral Contents) Rules, 2015 vide notifications dated 18.06.2021 and 14.12.2021. These amendments will ensure more participation in the auction of mineral blocks, facilitate State Governments in identifying more blocks for auction and increase the availability of minerals across the country.

Some of the major amendments to ramp up the auction of mineral blocks for composite license, *inter alia* includes the following amendments:

- a. The Minerals (Evidence of Mineral Contents) Amendment Rules, 2021 were notified on 18.06.2021. As per the amended rules limestone, iron ore and bauxite blocks having surficial deposits can be auctioned for mining lease at G3 level of exploration. Further, auction for composite licence for all minerals has been allowed at G4 level of exploration.
- b. The Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021 were notified on 14.12.2021 which provide that any person intending to obtain composite licence in respect of an area may submit a proposal to the State Government in the specified format along with available geoscience data for notification of the area for auction to grant a composite licence.
- c. The Mineral (Auction) Amendment Rules, 2021 were notified on 17.03.2021. The rules provide incentive for production & dispatch earlier than the scheduled date of commencement of production.
- d. The Mineral (Auction) Second Amendment Rules, 2021 were notified on 18.06.2021. The amended Rules provide for cap on net worth requirement for mining lease and composite license.
- e. The Mineral (Auction) Fourth Amendment Rules, 2021 were notified on 14.12.2021 which provide that in case the area proposed by a person is put up for auction to grant a composite licence, such person shall be required to submit

the bid security of only 50% of the amount specified for participating in the auction for the said area.

- f. The Mineral (Auction) Amendment Rules, 2022 were notified on 18.02.2022. As per the amended Rules, global positioning system has been allowed for identification and demarcation of the area where a composite licence is proposed to be granted through auction.

In pursuance of the said amendments, State Governments have notified 40 mineral blocks of G4 level of exploration for grant of composite license, out of which 6 mineral blocks have been successfully auctioned.
